

HIGH BAR HARBOR YACHT CLUB CONDOMINIUM ASSOCIATION, INC.
MINUTES OF ANNUAL OWNERS MEETING
SATURDAY FEBRUARY 12, 2005 -- HBHYC CLUBHOUSE

The meeting was called to order at 1:00 PM by Trevor Dodds, President of the Board.

Board Members Present:

Mr. Trevor Dodds- President

Mr. Hugh Gray

Mr. Dodds announced that the other Board members could not attend the meeting (Sam Alloway had a family emergency, Rich Ericsson was ill and just discharged from the hospital and Roy Rapp was in Florida).

Accountant Present: Helene Koseff, of the accounting firm of Ciccone, Gotthold & Koseff, with offices in Ship Bottom.

Employees Present:

Pete Hoeltje- Operations Manager

Monica Johnson- Office Manager

Greg Weerheim- Dockmaster

Mr. Dodds introduced the new employees, noting that Pete Hoeltje was hired as the new Operations Manager, replacing Tim Christopher who left that position in the early fall. Monica Johnson was hired as the new Office Manager to replace Liz Christopher, who also resigned in the fall.

Mr. Dodds stated that all inquiries and concerns regarding HBHYC billing, rentals, slips, sales, and service and equipment should be directed to Mr. Hoeltje or Ms. Johnson, to maintain continuity in communication and improve service to the owners.

Election of Board Members:

Mr. Dodds called for the election of officers of the Board and to have the ballots counted, as required in the Bylaws. Prior to the vote, Pat English asked the Board to address the letter that had been sent out by Ed Meline and Jim Avery. Mr. English also asked about employee job descriptions and a comment about a reported theft made in another letter (from Greg Thummel, in his letter declaring his candidacy for the Board). Discussion followed.

Open Discussion:

Mr. Meline stated that his and Mr. Avery's letter was not meant to diminish the hard work of the Board, however he and Mr. Avery felt they had a fiduciary responsibility to report to the owners. He expressed concern that suggestions that he and Mr. Avery had discussed with Mr. Gray had not been addressed by the full Board. Mr. Meline understood that Mr. Gray had forwarded his concerns to the full Board. He noted his disappointment that the Finance Committee did not meet with the full Board subsequent to its first meeting. Generally, he felt there was a lack of communication.

Mr. Meline and Mr. Avery stated that there is too much work to be handled by just the Board members and that the Board should delegate certain responsibilities to committees. Mr. Dodds reminded the owners that the three working committees are: Finance Committee, Buildings & Grounds Committee, and Docks & Bulkheads Committee.

Mr. Avery stated that he was also concerned about the lack of communication, as neither he nor Mr. Meline was contacted by the Board after their resignations were submitted.

Mr. Dodds, while not commenting on the resignations, responded that due to the recent mailing of Mr. Meline's and Mr. Avery's letter to the owners, it was difficult to respond to that letter in a timely manner. Mike Drago asked if HBHYC was financially sound. Mr. Avery replied that he feels that HBHYC is on a good foundation.

Mr. Gray asked Mr. Meline and Mr. Avery if they would reconsider their resignation from the Finance Committee. Mr. Meline said that would have to think about it and recommended that the Finance Committee be elected by the owners directly, and not appointed by the Board. Mr. Avery said he would consider serving on the Finance Committee only if it was not perfunctory.

The question of theft was answered by Greg Thummel (who stated that he was referring to items that were stolen from his boat some time ago and did not mean to imply any connection with missing funds. Mr. Thummel stated that he should have clarified this in his resume that was sent out with the ballots.

Mr. Dodds stated that the question of whether funds were missing, or whether there was an accounting discrepancy from the developer's last budget had not been resolved, but that the Board would look into it and provide an answer.

Both Bob Miller and Mr. Thummel stated that they have had trouble getting a response on the VHF radios. Bob Miller said that several times last year he got no response. Mr. Thummel also has had some issues with the VHF radio communications.

Mrs. Miller asked if there were job descriptions for the staff. The answer was that there are not. It was acknowledged that the Board did not fully address certain issues. The resignation of Tim and Liz Christopher caused a focus on short term management concerns. It was stated that the management model appears to be a good one for HBHYC.

Mr. Gray queried the owners present about the desirability of making greater use of the HBHYC website to facilitate communication. There was general agreement that this would be helpful. Tryg Dahl and Kurt Krumpholz offered to help Alex Miller and with the website (hbhyc.com).

Bob Miller suggested that the cost of a newsletter could be offset by selling advertising space. Mr. Dodds noted that as a non-profit organization, HBHYC may not be able to pursue such an activity and suggested that the Board could have this addressed by HBHYC's accountant.

It was suggested that quarterly electric invoices instead of monthly invoices could save postage and reduce transactional costs.

Some other areas of concern raised by owners present :

1. How do we change the bylaws?
2. Can the annual meeting be changed from February to encourage a larger turnout? Current bylaws require the February meeting. It was noted that the bylaws were originally set up to favor the developer.
3. Employee Job Descriptions - do we have them? Mr. Gray indicated plans for establishing the employee job descriptions.
4. Radio response / Docking assistance. It was stated that the position of “dockhand” had been replaced by “marina assistant” indicating the more general nature of the responsibilities of that job. There is a VHF radio in the office and there are handheld radios for the staff. Radio procedures will be reviewed with the staff.
5. Boats being moved into owners slips without the slip owner being properly notified and paid. It was explained that years ago before all slips were individually owned, boats were moved forward for the winter to keep the down the cost down of running the bubbler system. Mr. Dodds stated that it is against HBHYC policy to put a boat in a slip without the slip owner’s knowledge.
6. Mr. Miller mentioned that the Board did not make full use of the slip owners’ offers of assistance, and that it should do so more often.
7. Due to failure of some power post electric meters, approximately 20 slips have not been billed for electric usage for approximately one year. The question was raised as to whether these charges could be recovered by the association. Mr. Millerand asked if, for such a small number of slips, it would be possible to review the previous year’s electric usage and request payment for estimated usage. He added that any owner who goes a year without receiving a bill, is probably aware of it. Mr. Gray suggested sending owners of the subject slips a “conscience letter.”
8. The cost of the contract for cable TV service was discussed. The cost is higher than anticipated due to a lower than expected number of owners signing up. The situation will be reviewed at the expiration of the contract with the cable company.

Introduction of Owners running for Board of Trustees

Sam Alloway
Marc Bellagamba
Michael Drago
Richard Ericsson
Robert Miller
Gregory Thummel

Mr. Drago, Mr. Miller and Mr. Thummel each introduced themselves and made a brief statement.

Call to have Ballots Counted

Mr. Dodds asked Ms. Johnson and Mr. Hoeltje to count the ballots. Two volunteer witnesses present were Linda Krumpholz and Eileen Hanley-Meline.

Sam Alloway, Mike Drago and Rich Ericsson were elected to the Board and ballots were returned to the Board to be destroyed after the election.

The following reports were discussed:

- Accountant's Report- Presented by Helene Koseff.
- Budget Year 2004 – Addressed by Mr. Dodds/Mr. Gray
- Budget Year 2005 – Addressed by Mr. Dodds/Mr. Gray
- 17- Year Capital Reserve Plan – Addressed by Mr. Dodds/Mr. Gray
- Capital Expenditure 2005

Bulkhead Project Report

Two representatives from Butterick Bulkheading were present to address the Bulkheading situation. Butterick Bulkheading did the original bulkhead for HBHYC. They are a local company that employs four full time crews. The company can provide a list of their commercial work if requested, and are currently doing work at Wally Chapman's marina at the causeway.

- A sand wall project would take about nine weeks with three months for DEP permits.
- A resheathing project would be a 10-15 year fix, estimated in the \$60,000 price range with no DEP permits required.
- A complete replacement of the bulkhead with corrugated vinyl sheathing would be a 50 year fix, estimated in the \$225,000 price range excluding cost to redo the utilities, landscaping, walkways, etc.

These estimates do not include any disconnection/restoring of the utilities, removal/replacement of the side walks or landscaping work.

Owners present were asked for their opinion of the bulkheading project. Mr. Drago said it wasn't a legal vote. It was agreed that this was an informal poll of the owners present. It was noted that the 10-15 year resheathing approach would allow HBHYC time to build up the capital reserve account.

New Business- Question from the audience - Could a committee be formed to review the bylaws? Reply - This will be addressed at a scheduled board meeting.

Old Business- none.

The Bylaws require that a Board meeting be held within two weeks of the annual owners meeting. It is scheduled for 2/27 at 12:00 PM.

Adjournment- The meeting was adjourned at 3:48 PM.